



Los Angeles County  
Board of Supervisors

July 6, 2006

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The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 7 TO AGREEMENT NO. H-210828  
WITH FILE KEEPERS, INC. FOR OFF-SITE STORAGE AND  
RETRIEVAL SERVICES FOR MEDICAL RECORDS, X-RAY FILM,  
AND OTHER DEPARTMENTAL FILES  
(All Districts) (3 Votes)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 7 to County contract No. H-210828, substantially similar to Exhibit I, with File Keepers, Inc. for the continued provision of off-site storage and retrieval services of medical records, X-ray film, and other files at various Department of Health Services' (DHS) sites located at Harbor/UCLA (Harbor/UCLA), Martin Luther King, Jr./Drew (King/Drew), and Olive View/UCLA (Olive View) Medical Centers, LAC+USC Healthcare Network (LAC+USC), Public Health Centers, Health Services Administration, Office of Managed Care/Community Health Plan (OMC/CHP) and the Bioterrorism Preparedness Response Program, on a month-to-month basis, effective August 1, 2006 through April 30, 2007, for a total maximum obligation of \$1,158,936, partially offset by \$144,000 in Centers for Disease Control and Prevention funds.
2. To increase Harbor/UCLA's allocation for off-site storage and retrieval services for the current contract period of August 1, 2005 through July 31, 2006, from \$139,253 to \$168,099, an increase of \$28,846.
3. Delegate authority to the Director of Health Services, or his designee, to add other DHS sites/facilities that may require off-site storage and retrieval services for medical records, X-ray film and other departmental files during the term of the Amendment, through an administrative amendment between the Director and Contractor. The estimated additional cost for the addition of other DHS sites or increased storage services will be at the same rates and determined upon the implementation of the new services, and will not exceed 25% (\$289,734) of the maximum obligation for the nine-month extension period.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

During the current period, effective August 1, 2005 through July 31, 2006, Harbor/UCLA has seen an increased number of medical record recalls, and an increased number of requests for medical records to conduct financial (Medicare, Medi-Cal, TARs, insurance, etc.) and quality of care reviews. In addition, clinic visits increased resulting in an additional need for storage of clinic encounter forms which must be retained. Also, Harbor/UCLA's Medical Records Department routinely sends medical charts that had been inactive for five years to off-site storage; however, Medical Records has begun to send charts inactive after only four years for storage because the five-year threshold did not provide adequate shelf space to accommodate an increasing number of medical records. Over 350,000 inactive charts needed to be sent off-site for storage. This action improved medical records file maintenance in preparation for the upcoming Master Patient Index (MPI) clean up and electronic Medical Record Imaging Projects. To address this increased need, Harbor/UCLA requires an additional \$28,846 for the cost of these additional services during the current term.

In approving the recommended actions, the Board is authorizing the continued provision of storage and retrieval services for off-site medical records, X-ray film and other departmental files by File Keepers, Inc., (File Keepers) for various DHS sites to allow the Department additional time to complete a solicitation process. Delegated authority is requested to add additional DHS sites or increase storage services, if necessary.

FISCAL IMPACT/FINANCING:

During the extension period, effective August 1, 2006 through April 30, 2007, the cost for services provided to current DHS sites are: 1) Harbor/UCLA, \$127,500; King/Drew, \$660,000; 3) Olive View, \$100,000; 4) LAC+USC, \$37,500; 5) Public Health Centers, \$15,611; 6) Health Services Administration, \$69,525; 7) Bioterrorism Preparedness and Response, \$144,000; and 8) Office of Managed Care/Community Health Plan, \$4,800, or a total maximum cost of \$1,158,936 comprised of County funds in the amount of \$1,014,936 and Centers for Disease Control and Prevention funds in the amount of \$144,000.

For the period of August 1, 2005 through July 31, 2006, the total cost for off-site storage and retrieval services at Harbor/UCLA is increased from \$139,253 to \$168,099, an increase of \$28,846.

Funding is included in the Fiscal Year 2006-2007 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The safe maintenance and storage of patient records and X-ray film are required by California Code of Regulations, Title 22, Section 51476. Off-site medical records and X-ray film storage and retrieval services include, but are not limited to, receiving, packaging, transporting, inventorying, filing, storing, retrieving, and destroying at County's request such medical records and X-ray film.

On March 27, 1999, DHS released an Invitation for Bids (IFB) for the provision of off-site storage and retrieval services. By the April 27, 1999 bid submission deadline, a bid was received from File Keepers. File Keepers was the only company to submit a bid. On September 7, 1999, the Board approved the existing agreement with File Keepers for the provision of off-site medical records and retrieval services at Harbor/UCLA and Bellflower, Norwalk and Wilmington health centers through August 31, 2004.

On October 15, 2002, the Board approved Amendment No. 1 which added other DHS facilities that required these services.

On March 18, 2003, the Department issued Amendment No. 2 to add the most current Health Insurance Portability and Accountability Act (HIPAA) language to the Agreement.

On August 10, 2004, the Board approved Amendment No. 3 which extended the term of the Agreement, effective September 1, 2004 through July 31, 2005.

On April 20, 2005, the Department issued Amendment No. 4 to update the HIPAA language in the Agreement.

On June 21, 2005, the Board approved Amendment No. 5 which extended the term of the Agreement, effective August 1, 2005 through July 31, 2006.

On February 14, 2006, the Board approved Amendment No. 6 which augmented the County's maximum obligation for the prior contract period, effective September 1, 2004 through July 31, 2005, and the current contract period, effective August 1, 2005 through July 31, 2006, to cover expenditures incurred in excess of the maximum obligation during both periods.

The Agreement may be terminated with or without cause by the County by providing a 30-day advance written notice. The administrative staff at the various DHS sites will continue to monitor the contractor's performance to assure compliance with the terms and conditions of the Agreement.

Amendment No. 7 will add Whittier Health Center and OMC/CHP which require these services.

Attachment A provides additional information.

County Counsel has approved the Amendment (Exhibit I) as to use and form.

#### CONTRACTING PROCESS:

On September 7, 1999, the Board approved the current agreement with File Keepers which was selected as a result of an IFB process.

Amendment No. 7 will extend the term of the Agreement on a month-to-month basis, for up to nine months, effective August 1, 2006 through April 30, 2007, to continue the provision of these services at various DHS sites and provide the Department with additional time to complete an IFB process to award a new agreement.

The Honorable Board of Supervisors  
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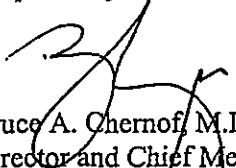
The Department had previously indicated its intent to release the IFB in February 2006. However, due to staff turnover, the IFB could not be completed. *The Department intends to release the IFB in August 2006.* The IFB will be advertised on the Los Angeles County Online Web Site and in newspapers.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of Amendment No. 7 will ensure the continued provision of off-site storage and retrieval services for medical records, X-ray film and other departmental files.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

BAC:jer  
BLETC4230.JER.wpd

Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENT1. Type of Service:

Off-site medical records, X-ray films and other documents storage and retrieval at various Department of Health Services' sites.

2. Agency Name/Address/Contact Persons:

File Keepers, Inc.  
6277 East Slauson  
Los Angeles, CA 90040-3011  
Attention: Liz Rogers, Contract Liaison  
Telephone: (323) 728-3133 Ext. 320  
Fax: (323) 728-1349  
E-Mail: [Er Rogers@filekeepers.com](mailto:Er Rogers@filekeepers.com)

Michael Huff, Contract Manager  
(323) 889-6536  
Fax: (323) 728-1349  
E-Mail: [Mhuff@filekeepers.com](mailto:Mhuff@filekeepers.com)

3. Term:

The term of the Agreement will be effective on August 1, 2006 through April 30, 2007.

4. Financial Information:

The contract cost for services provided to the current County sites will be as follows: 1) Harbor/UCLA, \$127,500; 2) King/Drew, \$660,000; 3) Olive View, \$100,000; 4) LAC+USC, \$37,500; 5) Public Health Centers, \$15,611; 6) Health Services Administration \$69,525; and 7) Bioterrorism Preparedness and Response Program, \$144,000; 8) Office of Managed Care/Community Health Plan, \$4,800 or a total maximum cost of \$1,158,936 comprised of County funds in the amount of \$1,014,936 and Centers for Disease Control and Prevention funds in the amount of \$144,000.

For the period of August 1, 2005 through July 31, 2006, the total cost for off-site storage and retrieval services at Harbor/UCLA is estimated to be \$168,099.

Funding is included in the Fiscal Year 2006-2007 Final Budget and will be requested in the future fiscal years.

5. PROGRAM INFORMATION:

Off-site storage and retrieval services for medical records, X-ray film and other documents.

6. Approvals:

LAC+USC Medical Center:	Pete Delgado, Chief Executive Officer
Harbor/UCLA Medical Center:	Tecla A. Mickoseff, Chief Executive Officer
King/Drew Medical Center:	Antionette Smith-Epps, Chief Executive Officer
Olive View/UCLA Medical Center:	Melinda D. Anderson, Chief Executive Officer
Office of Managed Care:	Dave Beck, Acting Director
Community Health Services	Barry Hunt, Area Administrator
Bioterrorism Preparedness Program:	John Talarico, M.D., Acting Director & Medical Director
DHS Fiscal Services Division:	Eva Guillen, Expenditure Manager, HSA
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (as to form):	Robert E. Ragland, Senior Deputy County Counsel

MEDICAL RECORDS AND X-RAY FILM STORAGE  
AND RETRIEVAL SERVICES

REVISED - BUDGET EFFECTIVE 8/1/05 THROUGH 7/31/06

<u>Facilities/Sites</u> <u>Amount</u>	<u>Original Maximum</u> <u>Amount</u>	<u>Revised Maximum</u>	<u>Increase</u>
Harbor/UCLA Medical Center	\$139,253	\$168,099	\$28,846
LAC+USC Healthcare Network	50,000	-0-	\$ -0-
Martin Luther King, Jr./ Drew Medical Center (Includes H.H.Humphrey CHC and Southwest Area HC)	934,500	-0-	\$ -0-
Olive View/UCLA Med. Ctr	581,760	-0-	\$ -0-
Public Health Centers	17,100	-0-	\$ -0-
Health Services Administration:	92,700	-0-	\$ -0-
- Consolidated Business Office			
- Fiscal Services Division			
- Office of Ambulatory Care			
- Controller's Division			
- Contracts and Grants Division			
- Human Resources			
Bio-terrorism Preparedness Response	<u>120,000</u>	<u>-0-</u>	<u>-0-</u>
 TOTAL	 <u>\$1,935,313</u>	 <u>\$1,964,159</u>	 <u>\$28,846</u>

MEDICAL RECORDS AND X-RAY FILM STORAGE  
AND RETRIEVAL SERVICES

BUDGET EFFECTIVE 8/1/06 THROUGH 4/30/07

<u>Facilities/Sites</u>	<u>Maximum Amount</u>
Harbor/UCLA Medical Center	\$127,500
LAC+USC Healthcare Network	37,500
Martin Luther King, Jr./Drew Medical Center (Includes H.H.Humphrey CHC and Southwest Area HC)	660,000
Olive View/UCLA Medical Center	100,000
Public Health Centers	15,611
Health Services Administration:	69,525
- Consolidated Business Office	
- Fiscal Services Division	
- Office of Ambulatory Care	
- Controller's Division	
- Contracts and Grants Division	
- Human Resources	
Office of Managed Care/Community Health Plan	4,800
Bio-terrorism Preparedness Response	<u>144,000</u>
TOTAL	\$1,158,936